



[Docket No. FR-6265-N-01]

Notice of Waivers and Alternative Requirements for the Pilot Recovery Housing Program

AGENCY: Office of Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: This Updated Program Notice describes the program rules, waivers, and alternative requirements that apply to any and all appropriations authorized under Section 8071 of the SUPPORT for Patients and Communities Act (“SUPPORT Act”), entitled Pilot Program to Help Individuals in Recovery From a Substance Use Disorder Become Stably Housed, herein referred to as the Recovery Housing Program, or RHP. This pilot program authorizes assistance to grantees (states and the District of Columbia) to provide stable, temporary housing to individuals in recovery from a substance use disorder. The assistance is limited, per individual, to a period of not more than two years or until the individual secures permanent housing, whichever is earlier. This notice also extends the deadline for submission of fiscal year (FY) 2020 RHP Action Plans provided in HUD’s November 25, 2020, notice entitled, “Notice of FY 2020 Allocations, Waivers, and Alternative Requirements for the Pilot Recovery Housing Program” (“Program Notice”) and provides instructions for submitting RHP Action Plans for FYs 2020 and 2021.

DATES: Applicable Date: July 13, 2021.

FOR FURTHER INFORMATION CONTACT: Jessie Handforth Kome, Director, Office of Block Grant Assistance, Community Planning and Development, Department of Housing and Urban Development, 451 7th Street SW, Room 7282, Washington, DC 20410, telephone number 202-708-3587 (this is not a toll-free number). Persons with hearing or speech impairments may access this number via TTY by calling the Federal Relay Service at 800-877-8339 (this is a toll-free number). Facsimile inquiries may be sent to Ms. Kome at 202-708-0033 (this is not a toll-free number). Email inquiries may be sent to RecoveryHousing@hud.gov.

SUPPLEMENTARY INFORMATION:

I. Background

A. Authorization and Appropriations

Section 8071 of the SUPPORT for Patients and Communities Act (Pub. L. 115-271, approved Oct. 24, 2018) (“SUPPORT Act”) authorizes the appropriation of funds, as may be necessary, for each fiscal year of 2019 to 2023 for assistance to states to provide stable, temporary housing to individuals in recovery from a substance use disorder. The SUPPORT Act requires amounts appropriated or amounts otherwise made available to grantees for RHP be treated as though such funds are CDBG funds under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5302) (“HCD Act”) and authorizes the Secretary of HUD to waive or specify alternative requirements to any provision of title I of the HCD Act necessary to facilitate or expedite the use of RHP funds, except for requirements related to fair housing, nondiscrimination, labor standards, the environment, and requirements that activities benefit persons of low- and moderate-income.

The SUPPORT Act authorized HUD to establish a funding formula based on specific factors listed in section 8071 of the SUPPORT Act and to allocate funds appropriated or otherwise made available for RHP according to the established funding formula. HUD published the funding formula in the Federal Register on April 17, 2019 (84 FR 16027) (the “Formula Notice”). In accordance with the SUPPORT Act, HUD distributes amounts appropriated for RHP according to the Formula Notice unless the appropriation act directs HUD to do otherwise. Following an appropriation of funds, HUD determines the RHP grantees and publishes their allocation amounts online at https://www.hud.gov/program_offices/comm_planning/budget in accordance with the Formula Notice and requirements of the appropriation. Congress appropriated \$25,000,000 for RHP in fiscal year (FY) 2020 and \$25,000,000 for RHP in FY 2021. HUD allocated the RHP funds to 25 grantees in FY 20 and 27 grantees in FY 21.

B. Notice of Program Rules, Waivers, and Alternative Requirements

HUD published the “Notice of FY2020 Allocations, Waivers, and Alternative Requirements for the Pilot Recovery Housing Program” (85 FR 75361) (the “Program Notice”) on its website on November 4, 2020, and in the Federal Register on November 25, 2020. The Program Notice imposed the rules, waivers, and alternative requirements and provided specific program deadlines that apply for fiscal year 2020 (FY 20). The Program Notice describes requirements on the use of RHP funds and the applicable waivers and alternative requirements to title I of the HCD Act and 24 CFR part 570 necessary to expedite or facilitate the use of RHP funds. This Updated Program Notice imposes the Program Notice’s rules, waivers and alternative requirements, as amended by this Updated Program Notice, on the use of all existing and future RHP allocations and revises the FY 20 RHP Action Plan submission deadline. Grantees must comply with the applicable requirements at 2 CFR part 200, as amended. Amendments to 2 CFR part 200 may renumber some subparts and regulations. Where RHP notices (with applicability dates preceding the amendments’ effective dates) refer to specific regulations of 2 CFR part 200 that are renumbered or revised by amendments to 2 CFR part 200, the requirements that apply to the grant are the requirements in 2 CFR part 200, as amended, notwithstanding the renumbered regulatory reference.

II. Applicable Rules, Waivers, and Alternative Requirements

This Updated Program Notice is based on the applicable waivers and alternative requirements to the CDBG program requirements included in the November 25, 2020, Program Notice. The Secretary has determined that those statutory and regulatory waivers and alternative requirements will apply to this Updated Program Notice because they are necessary to expedite or facilitate the use of RHP funds. The waivers and alternative requirements are only applicable to the use of RHP funds and do not apply to CDBG funds used in conjunction with RHP funds or other sources of CDBG funds (i.e., from other grants or guaranteed loan funds) used for RHP-eligible activities.

All RHP allocations are subject to the requirements in the Program Notice, as amended by this Updated Program Notice and any subsequent notices (collectively, the “RHP notices”). The applicable rules, statutory and regulatory waivers, and alternative requirements described in the RHP notices apply to fiscal year allocations as of the applicability date of each RHP notice. Grantees may use funds from different FY allocations for the same RHP-eligible activity, however, grantees should be aware that each allocation has a distinct period of performance and distinct limitations on administrative and technical assistance costs.

A. Submission Deadlines

Section I.B. of the Program Notice requires RHP Grantees to submit a RHP Action Plan for FY 20 allocations, including the Form SF-424, application for federal funds, by August 16, 2021. This Updated Program Notice amends section I.B. and extends the submission deadline for RHP Action Plans for FY 20 allocations to **December 31, 2021**. Grantees with FY 21 allocations must submit a RHP Action Plan or amendment for FY 21 funds by **August 16, 2022**, according to the requirements in the Program Notice, as amended by section II.B. of this Updated Program Notice.

Grantees will have a single, combined RHP Action Plan for the use of RHP funds, including any and all allocations from existing and future appropriations authorized under the SUPPORT Act. For future allocations, grantees must submit a RHP Action Plan or amendment, including a Form SF-424, application for federal funds, for the allocated funds by August 16 of the fiscal year following the fiscal year in which the funds were authorized. For example, a grantee with an allocation in fiscal year 2022 must submit a RHP Action Plan or RHP Action Plan amendment, as well as any required submissions, by August 16, 2023.

A grantee’s RHP Action Plan must meet the specific requirements in the Program Notice, as amended by this Updated Program Notice. If a grantee receiving an allocation fails to submit a RHP Action Plan for its allocation by the deadline(s) provided in this Updated Program Notice or submits a RHP Action Plan for less than the total allocation amount, HUD may

simultaneously notify the grantee of the reduction in its allocation amount and reallocate those funds in accordance with the SUPPORT Act's requirements.

B. Overview of Grant Process and Modified RHP Action Plan Requirements

The following sections describe the RHP Action Plan requirements and process that RHP grantees must complete to access RHP grant funds. These requirements and processes amend those provided in section II.H. of the Program Notice. Grantees that receive a RHP allocation must submit a RHP Action Plan according to the requirements in the Program Notice, as amended by this Updated Program Notice and described below.

A grantee will have a single RHP Action Plan that describes the use(s) of RHP funds for all of its allocations. While each fiscal year allocation will be a separate grant with separate grant numbers and agreements, this combined administrative approach of a single RHP Action Plan is intended to expedite and facilitate the use of RHP funds by grantees while reducing administrative burden. (Note: RHP Action Plan submissions or substantial amendments for less than the amount of the allocation amount may result in allocation amount reductions. For example, a grantee's submission for its FY 20 allocation must have activity budgets that amount to its FY 20 funds.)

- i. *Initial RHP Action Plan Submission:* A grantee must submit an initial RHP Action Plan pursuant to the requirements in section II.H. of the Program Notice, not later than August 16 of the fiscal year following the fiscal year in which the funds were allocated. (Note: RHP Action Plans for FY 20 allocations have an extended deadline of December 31, 2021, as provided by section II.A. of this Updated Program Notice.) For example, a grantee must submit a RHP Action Plan for its FY 21 allocation not later than August 16, 2022. All requirements of section II.H. of the Program Notice related to Action Plan requirements, as amended by this Updated Program Notice, apply to all initial RHP Action Plans, and RHP Action Plans must be submitted to HUD via the Disaster Recovery Grants Reporting (DRGR) system. As a reminder,

the citizen participation plan (CPP) may be amended in accordance with 24 CFR 91.105(a)(3) and 91.115(a)(3) concurrently to address RHP funds, and to allow no less than 15 calendar days of public comment and encourage participation by organizations interested in residential recovery programs for individuals with substance use disorders.

A grantee may submit an initial RHP Action Plan for multiple allocations. A grantee that submits an initial RHP Action Plan for multiple allocations must submit its RHP Action Plan no later than the deadline for the earliest fiscal year allocation. For example, the deadline for an initial RHP Action Plan that includes both FY 20 and FY 21 allocations is December 31, 2021 (the submission deadline for FY 20 allocations). If submitting a RHP action plan for multiple allocations, the grantee must set up project and activity budgets in the DRGR system for the total of the allocations and submit the RHP Action Plan via the DRGR system in accordance with the requirements in the Program Notice, as amended by this Updated Program Notice.

- ii. *Substantial Amendment Process for Additional Allocation(s)*: A grantee with a HUD-approved Action Plan for any RHP allocation(s) must submit a substantial amendment to its RHP Action Plan to incorporate any subsequent allocation(s). For example, a grantee that has a HUD-approved RHP Action Plan for its FY 20 allocation must submit a substantial amendment to incorporate its FY 21 allocation or any future allocations. The grantee must submit the substantial amendment via the DRGR system by the deadline in section II.A. of this Updated Program Notice. In the DRGR system, grantees must ensure any subsequent allocation(s) are fully budgeted in the amendment to the RHP Action Plan prior to submission to HUD. The process for the substantial amendment to the RHP Action Plan for a subsequent allocation is as follows:

1. The grantee amends its RHP Action Plan to incorporate each substantial amendment. The substantial amendment shall include the HUD-approved RHP Action Plan and the modifications made to it by the substantial amendment. A grantee's substantial amendment(s) to its RHP Action Plan must comply with the requirements in II.H. of the Program Notice, as amended by this Updated Program Notice, and include, at a minimum, the use of the total amount of RHP funds, including prior and new allocations, in the substantial amendment. The grantee may modify existing activities or add new activities to the HUD-approved RHP Action Plan) in a substantial amendment.
2. The grantee publishes each substantial amendment to its RHP Action Plan in accordance with the grantee's adopted CPP. The grantee shall provide opportunity for public comment and public hearings, if any, on the substantial amendment and consider and summarize public comments received, in accordance with the requirements described in steps 2 and 3 in section II.H. of the Program Notice.
3. The grantee submits its RHP Action Plan to HUD. A complete action plan submission includes items i through xii in section II.H. of the Program Notice.
4. HUD will review the substantial amendment to the RHP Action Plan in accordance with 24 CFR 91.500 and this Updated Program Notice and the Program Notice.
5. Once HUD accepts the substantial amendment to the RHP Action Plan for the subsequent allocation(s), HUD and the grantee will enter into a grant agreement for each new allocation described in the substantial amendment. HUD transmits the RHP grant agreement to the grantee, and the grantee signs and returns the grant agreement for HUD's signature.

6. HUD will establish the grantee's line(s) of credit to reflect the amount of new RHP funds.
7. The grantee may draw down funds from each grant's line of credit, consistent with the applicable draw down requirements, after the Responsible Entity completes applicable environmental review(s) pursuant to 24 CFR part 58 and, as applicable, receives from HUD or the State the Authority to Use Grant Funds (AUGF) form.

C. Timeliness, Period of Performance, and Closeout

RHP funds for FY 21 and any subsequent allocations are subject to the same requirements as those for FY 20 allocations provided in the Program Notice, as amended by this Updated Program Notice. Each grant is subject to its RHP expenditure deadline in accordance with the applicable executed grant agreement. Pursuant to the grant agreement, a grantee must expend RHP funds for each RHP grant before the end of the grant's period of performance. All RHP funds must be expended before the end of the period of performance on September 1 of the seventh Federal fiscal year from the fiscal year of the appropriation, which is 29 days before the RHP appropriation account is cancelled in accordance with 31 U.S.C. 1552(a), 24 CFR 570.200(k), and 24 CFR 570.480(h). For example, if Congress appropriates funds under Section 8071 of the SUPPORT Act for fiscal year 2022, all FY 22 funds must be expended before the end of the period of performance on September 1, 2029. Grant funds are not available for obligation and expenditure after the period of performance.

HUD, via the DRGR system, will block remaining RHP funds after the grant expenditure deadline to prevent grantees from drawing down funds past the grant's period of performance. The grantee will be able to continue drawing down funds from its line(s) of credit for grants still within their period of performance until the expenditure deadline for each such grant has been reached.

Additionally, section 8071(c)(1) of the SUPPORT Act requires grantees to “expend at least 30 percent of such funds within one year of the date funds become available to the grantee for obligation.” The date of HUD’s execution of the grant agreement is used for this purpose. Pursuant to 24 CFR 570.496(b) (states) and 570.910(b)(5) (District of Columbia), any amount of funds that exceeds 70% of a grant allocation not expended by such date is subject to cancellation.

Pursuant to section II.P. of the Program Notice, HUD will close out RHP grants in accordance with the 24 CFR 570.489(o), which imposes the closeout requirements of 2 CFR part 200. HUD notes that those closeout requirements are now located at 2 CFR 200.344.

III. Findings and Certifications

Paperwork Reduction Act

The information collection requirements in this Updated Program Notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB Control Number 2506-0165. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance numbers for RHP grants under the SUPPORT Act are 14.218 (Community Development Block Grants/Entitlement Grants), 14.225 (Community Development Block Grants/Special Purpose Grants/Insular Areas, and 14.228 (Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii) (formerly CDBG Grant/Small Cities Program).

Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section

102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The

FONSI is available for inspection at [HUD's Funding Opportunities](#) web page.

Principal Deputy Assistant Secretary for Community Planning and Development, James Arthur Jemison II, having reviewed and approved this document, is delegating the authority to electronically sign this document to submitter, Aaron Santa Anna, who is the Federal Register Liaison for HUD, for purposes of publication in the Federal Register.

Aaron Santa Anna,
Federal Register Liaison,
Department of Housing and Urban Development.

[BILLING CODE: 4210-67]

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